



SF 2298 – Direct Care Professionals Board (LSB 5449SV.1)
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Fiscal Note Version – Requested by Senator Dix REVISED

Description

[Senate File 2298](#) provides for the certification of direct care professionals under new Iowa Code chapter 152F. Direct care professionals (DCPs) are individuals that provide supportive services to people of all ages experiencing illness and disabilities in settings that range from in home and community-based settings to acute care in hospitals. The Bill requires a person that provides direct care services for compensation to be certified as a direct care professional and establishes requirements and processes for certification, renewal, continuing education, reciprocity, exemptions, and suspension or revocation. The Bill specifies the duties and membership of the nine-member Board of Direct Care Professionals.

Background

[House File 649](#) (Health and Human Services Appropriations Act of 2011) directed the Iowa Direct Care Worker Advisory Council to develop recommendations and findings concerning the following:

- Provide an estimate of the size of the direct care professional workforce.
- Identify information management system needs for the eventual Board.
- Pilot training and credentialing recommendations.
- Conduct education and outreach.
- Recommend composition of the Board and the work and credentials it will oversee.

This Bill includes recommendations outlined in the Council's January 2012 [report](#) and March 2012 [report](#) to the General Assembly and Governor concerning the establishment and credentialing activities of the Board of Direct Care Professionals.

Assumptions

- The Board of Direct Care Professionals will be established within the Department of Public Health by December 15, 2012, and include nine members appointed by the Governor.
- Core training and resulting certification will be required for all DCPs. Requirements for advanced training and associated credentials will be determined based on existing provider/facility regulations. Advanced training will be optional for all other workers in provider settings where training regulations do not exist.
- Education and training completed by DCPs will be based on state-recognized competencies and will be portable among employers.
- Worker credentials will be tracked through an information management system that will provide worker, employer, and public interfaces.
- There are estimated to be between 55,000 to 73,000 practicing DCPs in Iowa that would require licensure under this Bill.
- Licenses will be issued beginning January 1, 2014, and will be renewed biennially. Current DCPs will be "grandfathered" in the credentialing system based on experience and skills. Grandfathered credentials will be provided at a discounted fee. The Bill allows the Board to

determine the grandfathering process and timeframe. For estimating purposes, it is assumed that reduced certification fees for grandfathering will be phased out by June 30, 2015, allowing 18 months for current practitioners to obtain certification. Assumes 60.0% of existing practitioners will seek certification, and that one-third of current practitioners will become certified in FY 2014 and the remaining two-thirds will become certified in FY 2015.

- The Board is charged with determining the appropriate license fee schedule. The overall budget is highly variable depending on the fee structure adopted by the Board.
- By FY 2015, a range between 13.0 FTE positions (Projection Scenarios 1A and 1B) and 16.0 FTE positions (Projection Scenarios 2A and 2B) are estimated to be necessary to support the work of the Board. These positions are generally assumed to be filled at the low end of the salary range for each position, allow for 4.0% annual salary growth, and include an additional 27.0% for benefits. The positions include:

FTE Classifications			
Classification	Role	Number of FTEs	
		Scenario 1	Scenario 2
Executive Officer 2	Board Manager	1	1
Administrative Assistant 2	Certification Processors	1	2
Executive Officer 1	Education Director	1	1
Program Planner 2	Outreach & Compliance Educators	2	2
Clerk Specialists	Credential Reviewers	3	4
Investigator 1	Credential & Complaint Investigators	3	4
Secretary 1	Secretary	1	1
IT/Web Administrator	IT Systems Maintenance	1	1
Total		13	16

Projections

There are four projections divided into two groups provided below based on the estimated number of credential DCPs and the associated staffing levels. The first set of scenarios assumes that there are 55,000 DCPs in Iowa and the second set assumes that there are 73,000 DCPs in Iowa. The first set of scenarios assumes a need of 13.0 FTE positions and the second set assumes a need of 16.0 FTE positions for Board operations. Each set includes a projection that uses the fee structure discussed at the Advisory Council meetings, followed by a projection that illustrates a fee structure (based on \$5 increments) that would be necessary for the Board to operate without General Fund support beginning in FY 2015, the first full year of operation proposed under this Bill. General Fund appropriations are not included in the projections. The net need shown at the bottom of each table represents the total estimated General Fund impact or need, if any.

Projection Scenario 1

- Assumes 55,000 DCPs and a 60.0% renewal rate.
- Assumes a base of 12,000 new licensees plus a 3.0% allowance for growth annually.
- Projection Scenario 1A uses the fees structure discussed by the Direct Care Worker Advisory Council (Fee Structure A).
- Projection Scenario 1B increases the new Direct Care Associate (DCA), Advanced DCA, Renewal DCA, and Renewal Advanced DCA license fees by \$10 (Fee Structure B).
- Assumes a staffing structure requiring 13.0 FTE positions by FY 2015.
- Support costs include but are not limited to travel, office equipment and supplies, criminal history reviews, IT development and maintenance, the DPH indirect administration charge (26.5% of total personnel costs), office rental, printing and postage, and communications.

Fee Structure A	
New Direct Care Associate (DCA)	\$ 20
New Advanced DCA	30
New Instructor	60
New Trainer	75
Renewal DCA	25
Renewal Advanced DCA	35
Renewal Instructor/Trainer	60
Grandfather DCA	15
Grandfather Advanced DCA	20
Specialty	15
Late Fee	50
One-Time Background Fee	15

Board of Direct Care Professionals - Projection Scenario 1A					
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 170,616	\$ 0
License Fees	0	740,500	1,519,150	869,715	1,188,700
Federal Grants	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,041,500	\$ 1,519,150	\$ 1,040,331	\$ 1,188,700
Expenses					
Curriculum & Test Development, Training & Evaluation	\$ 390,000	\$ 180,000	\$ 0	\$ 0	\$ 0
Personnel	205,300	681,600	765,205	795,529	826,927
Support	369,880	555,674	583,329	591,965	603,086
Total Expenses	\$ 965,180	\$ 1,417,274	\$ 1,348,534	\$ 1,387,494	\$ 1,430,013
Net surplus/(need)	\$ -265,180	\$ -375,774	\$ 170,616	\$ -347,163	\$ -241,313

Fee Structure B		
New Direct Care Associate (DCA)	\$	30
New Advanced DCA		40
New Instructor		60
New Trainer		75
Renewal DCA		35
Renewal Advanced DCA		45
Renewal Instructor/Trainer		60
Grandfather DCA		25
Grandfather Advanced DCA		30
Specialty		15
Late Fee		50
One-Time Background Fee		15

Board of Direct Care Professionals - Projection Scenario 1B					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 512,616	\$ 222,496
License Fees	0	910,500	1,861,150	1,097,375	1,523,330
Federal Grant	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,211,500	\$ 1,861,150	\$ 1,609,991	\$ 1,745,826
Expenses					
Development, Training & Evaluation	\$ 390,000	\$ 180,000	\$ 0	\$ 0	\$ 0
Personnel	205,300	681,600	765,205	795,529	826,927
Support	369,880	555,674	583,329	591,965	603,086
Total Expenses	\$ 965,180	\$ 1,417,274	\$ 1,348,534	\$ 1,387,494	\$ 1,430,013
Net surplus/(need)	\$ -265,180	\$ -205,774	\$ 512,616	\$ 222,496	\$ 315,814

Projection Scenario 2

- Assumes 73,000 DCPs and a 60.0% renewal rate.
- Assumes a base of 15,000 new licensees plus a 3.0% allowance for growth annually.
- Projection Scenario 2A uses the fees structure discussed by the Direct Care Worker Advisory Council (Fee Structure A).
- Projection Scenario 2B increases the new DCA, Advanced DCA, Renewal DCA, and Renewal Advanced DCA license fees by \$5 (Fee Structure C).
- Assumes a staffing structure requiring 16.0 FTE positions by FY 2015.
- Support costs include but are not limited to travel, office equipment and supplies, criminal history reviews, IT development and maintenance, the DPH indirect administration charge (26.5% of total personnel costs), office rental, printing and postage, and communications.

Fee Structure A	
New Direct Care Associate (DCA)	\$ 20
New Advanced DCA	30
New Instructor	60
New Trainer	75
Renewal DCA	25
Renewal Advanced DCA	35
Renewal Instructor/Trainer	60
Grandfather DCA	15
Grandfather Advanced DCA	20
Specialty	15
Late Fee	50
One-Time Background Fee	15

Board of Direct Care Professionals - Projection Scenario 2A					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 334,674	\$ 0
License Fees	0	914,800	1,877,000	1,084,855	1,502,850
Federal Grant	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,215,800	\$ 1,877,000	\$ 1,419,529	\$ 1,502,850
Expenses					
Curriculum & Test					
Development, Training & Personnel	\$ 390,000	\$ 180,000	\$ 0	\$ 0	\$ 0
Support	205,300	828,800	918,400	954,800	992,500
	369,880	594,682	623,926	634,172	646,963
Total Expenses	\$ 965,180	\$ 1,603,482	\$ 1,542,326	\$ 1,588,972	\$ 1,639,463
Net surplus/(need)	\$ -265,180	\$ -387,682	\$ 334,674	\$ -169,443	\$ -136,613

Fee Structure C	
New Direct Care Associate (DCA)	\$ 25
New Advanced DCA	\$ 35
New Instructor	\$ 60
New Trainer	\$ 75
Renewal DCA	\$ 30
Renewal Advanced DCA	\$ 40
Renewal Instructor/Trainer	\$ 60
Grandfather DCA	\$ 15
Grandfather Advanced DCA	\$ 20
Specialty	\$ 15
Late Fee	\$ 50
One-Time Background Fee	\$ 15

Board of Direct Care Professionals - Projection Scenario 2B					
	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
Revenue					
Carryforward	\$ 0	\$ 0	\$ 0	\$ 557,924	\$ 199,677
License Fees	0	1,025,300	2,100,250	1,230,725	1,718,755
Federal Grant	550,000	201,000	0	0	0
IOWAccess Fund	150,000	100,000	0	0	0
Total Revenue	\$ 700,000	\$ 1,326,300	\$ 2,100,250	\$ 1,788,649	\$ 1,918,432
Expenses					
Curriculum & Test Development, Training & Evaluation	\$ 390,000	\$ 180,000	\$ 0	\$ 0	
Personnel	205,300	828,800	918,400	954,800	992,500
Support	369,880	594,682	623,926	634,172	646,963
Total Expenses	\$ 965,180	\$ 1,603,482	\$ 1,542,326	\$ 1,588,972	\$ 1,639,463
Net surplus/(need)	\$ -265,180	\$ -277,182	\$ 557,924	\$ 199,677	\$ 278,970

Summary of Impacts

The General Assembly appropriated \$149,000 in FY 2012 to support the work of the Direct Care Worker Advisory Council. Each of the projections show a total General Fund need of \$265,180 in FY 2013, an increase of \$116,180 compared to FY 2012.

Projection Scenario 1A shows a total General Fund need of \$375,774 and Projection Scenario 1B shows a total General Fund need of \$205,774 in FY 2014, an increase of \$226,774 and \$56,774 respectively compared to FY 2012. The table below summarizes the General Fund impact of these two scenarios in FY 2013 and FY 2014.

General Fund Impact Summary (Projections 1A & 1B)

	FY 2013		FY 2014	
	Projection Scenario 1A	Projection Scenario 1B	Projection Scenario 1A	Projection Scenario 1B
Status Quo FY 2012	\$ 149,000	\$ 149,000	\$ 149,000	\$ 149,000
Additional Need	116,180	116,180	226,774	56,774
Total Need	\$ 265,180	\$ 265,180	\$ 375,774	\$ 205,774

Projection Scenario 2A shows a total General Fund need of \$387,682 and Projection Scenario 2B shows a total General Fund need of \$277,182 in FY 2014, an increase of \$238,682 and \$128,182 respectively compared to FY 2012. The table below summarizes the General Fund impact of these two scenarios in FY 2013 and FY 2014.

General Fund Impact Summary (Projections 2A & 2B)

	FY 2013		FY 2014	
	Projection Scenario 2A	Projection Scenario 2B	Projection Scenario 2A	Projection Scenario 2B
Status Quo FY 2012	\$ 149,000	\$ 149,000	\$ 149,000	\$ 149,000
Additional Need	116,180	116,180	238,682	128,182
Total Need	\$ 265,180	\$ 265,180	\$ 387,682	\$ 277,182

These projections are highly variable depending on the fee structure determined by the Board. An increase in the new and renewal license fees of \$10 under Projection Scenario 1B reduces the General Fund need in FY 2014 by \$170,000 and results in a net surplus each year beginning in FY 2015, requiring no General Fund support. An increase in the new and renewal fees of \$5 under Projection Scenario 2B reduces the General Fund need in FY 2014 by \$110,500 and results in a net surplus each year beginning in FY 2015, requiring no General Fund support.

Sources

Department of Public Health
 Direct Care Worker Advisory Council
 LSA Analysis

/s/ Holly M. Lyons

March 12, 2012

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Iowa Code [section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
